

**EXHIBIT**  
**#16**

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY  
CASE NO. 07-15195 (MS)  
CHAPTER 11

In re BAYONNE MEDICAL CENTER, :

Debtor, :

BAYONNE MEDICAL CENTER, :

Debtor and

Debtor-in-Possession; and

ALLEN D. WILEN, in his

capacity as Liquidating

Trustee and Estate.

Representative for the Estate

of Debtor, Bayonne Medical

Center,

DEPOSITION OF:

CAROLINE EVANS

VOLUME I

(Pages 1-229)

Plaintiff, :

-vs-

BAYONNE/OMNI DEVELOPMENT, :

L.L.C., a New Jersey limited

liability company; et al., :

Defendants. :

B E F O R E:

SHARON B. STOPPIELLO, a Certified Court  
Reporter and Notary Public of the State of New  
Jersey, at the offices of CONNELL FOLEY, L.L.P., 85  
Livingston Avenue, Roseland, New Jersey, on  
THURSDAY, MAY 6, 2010, commencing at 10:09 a.m.,  
pursuant to Notice.

DepoLink  
Court Reporting & Litigation Support Services  
Phone (973) 353-9880 Fax (973) 353-9445  
www.depolinklegal.com

Page 36

1 tell you what the purchase price was?

2 A. I don't remember if it was Marvin who  
3 told me, but I found out that if it was, like,  
4 \$2,000,000.

5 Q. Did you have any involvement  
6 whatsoever in the negotiation with Avery for what  
7 ultimately became the agreed purchase price for the  
8 Bell Street building?

9 A. You know what? I did. I had a  
10 conversation with him, Paul Mohrle, Marvin, I was  
11 involved in the conversation. It was not a decision  
12 I made, but I was definitely a part of the  
13 conversation.

14 Q. How did that conversation go, can you  
15 recall for me?

16 A. No, I don't remember exactly, but I  
17 know that they were saying -- there was a dispute  
18 early on, and Marvin conveyed this to all of us and  
19 so did Heather.

20 Q. A dispute about what?

21 A. About appraisals, and that there  
22 were, like, three or four of them. And Avery was  
23 saying, You're crazy, or something, because one of  
24 them was just not in line with the other ones. And  
25 Marvin said, you know, He doesn't like this one, and

Page 37

1. all this other stuff. So I remember that. I  
2. remember there were two of them, actually, and then  
3. one that was crazy, that's what Marvin said.

4. Q. What was the crazy one?

5. A. I think it was like over \$4,000,000,  
6. or something like that.

7. Q. And did Marvin say why that one was  
8. crazy?

9. MR. FALANGA: Object to the form.

10. A. He did not.

11. Q. Did anyone else characterize the one  
12. that was over \$4,000,000?

13. A. No.

14. Q. Did this discussion that you had with  
15. Marvin about what you say were the three appraisals  
16. lead then to a discussion among you, Marvin and  
17. others about what the price should be?

18. MR. FALANGA: Object to the form.

19. Q. Go ahead.

20. A. Yes.

21. Q. And what was that discussion?

22. A. Well, I think it was back and forth,  
23. there was a lot of back and forth. I said, How are  
24. you going to do this?"

25. Q. Who are you talking to?

Page 1

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY  
CASE NO. 07-15195 (MS)  
CHAPTER 11

In re BAYONNE MEDICAL CENTER,

Debtor,

**ORIGINAL**

BAYONNE MEDICAL CENTER,  
Debtor and  
Debtor-in-Possession; and  
ALLEN D. WILEN, in his  
capacity as Liquidating  
Trustee and Estate  
Representative for the Estate  
of Debtor, Bayonne Medical  
Center,

DEPOSITION OF:

ROBERT H. EVANS

VOLUME I  
(Pages 1-236)

Plaintiff,

-vs-

BAYONNE/OMNI DEVELOPMENT,  
L.L.C., a New Jersey limited  
liability company; et al.,

Defendants.

B E F O R E:

SHARON B. STOPPIELLO, a Certified Court  
Reporter and Notary Public of the State of New  
Jersey, at the offices of GREENBAUM, ROWE, SMITH &  
DAVIS, L.L.P., 75 Livingston Avenue, Roseland, New  
Jersey, on MONDAY, JUNE 21, 2010, commencing at 9:19  
a.m., pursuant to Notice.

DepoLink  
Court Reporting & Litigation Support Services  
Phone (973) 353-9880 Fax (973) 353-9445  
[www.depolinklegal.com](http://www.depolinklegal.com)

Page 39

1 Q. Did anyone tell him, yourself  
2 included, that the purpose of getting a separate  
3 appraisal was to assist in negotiating the price up  
4 with Mr. Eisenreich?

5 MR. FALANGA: Object to the form.

6 A. Well, he was at that July board  
7 meeting which I mentioned. So he certainly heard  
8 the same thing that I did from our vice chairman of  
9 our board, John Grywalski. And he probably heard  
10 similar thoughts expressed between July of 2005 and  
11 when that appraisal was sought. And I think he knew  
12 it was to a certain extent going to be used for  
13 negotiation.

14 Q. Did anyone, so far as you know, ask  
15 him to inform the appraiser, the chosen appraiser  
16 that that was the purpose of the appraisal that was  
17 being sought?

18 MS. KIERKUT: Objection to form.

19 MR. FALANGA: Objection to form.

20 Q. You can answer.

21 A. I don't know that anyone advised him  
22 specifically that that would be the purpose of the  
23 appraisal, but I'm equally certain that he knew it.

24 Q. So then BMC did obtain through Marvin  
25 Apsel its own appraisal for purposes of continuing

Page 40

1 with the price negotiations with Omni; is that  
2 correct?

3 A. That's correct.

4 MR. FALANGA: Object to the form.

5 Q. Do you remember reviewing that  
6 appraisal yourself?

7 A. I did not. No, I did not.

8 Q. You're smiling. So I have to ask the  
9 right question, and I have to try to get behind your  
10 smile. Did you have any conversations with anyone  
11 at BMC about that appraisal?

12 MR. FALANGA: Object to the form.

13 A. I did, I had conversations with Mr.  
14 Apsel and with Ms. Giblin and Heather Aaron about  
15 that appraisal.

16 Q. Can you recall those conversations in  
17 words or substance the best that you can?

18 MR. FALANGA: Objection.

19 A. Well, Mr. Apsel actually came to me  
20 and was concerned, because the appraiser did not  
21 want to sign the appraisal. He was concerned about  
22 standing behind it, were the words I recall Mr.  
23 Apsel using. And what I said to both he and to Ms.  
24 Aaron is that this appraisal will do us no good if  
25 the appraiser will not stand behind it.

Page 41

1 Q. I'm sorry, I didn't mean to cut you  
2 off.

3 A. No, I'm done.

4 Q. Did Marvin tell you why the appraisal  
5 wouldn't sign the appraisal to stand behind it?

6 MR. FALANGA: Objection.

7 Q. I'm going to rephrase that question.

8 A. Go ahead.

9 Q. Did Marvin tell you what, if  
10 anything, the appraiser had told him was the reason  
11 that the appraiser didn't want to sign it and stand  
12 behind it?

13 MR. FALANGA: Object to the form.

14 Q. You can answer.

15 A. He used several words, one was the  
16 appraiser thought he was being pushed to give too  
17 high an appraisal, he thought it was crazy and he  
18 thought that he would have a problem, "he," the  
19 appraiser would have a problem defending it. That  
20 is according to Mr. Apsel.

21 Q. We talked about Marvin. Did you  
22 receive any reports or communications from anybody  
23 else on the BMC side about this appraisal that you  
24 had received or that had been received through  
25 Marvin?

1 A. I recall having a conversation with  
2 Stephanie Giblin, our chief nursing officer, and  
3 Carrie Fleishell Evans, Carrie Evans, that they both  
4 had different concerns about the second appraisal.

5 Q. What were their concerns?

6 MR. FALANGA: Objection.

7 Q. As expressed to you.

8 MR. FALANGA: Objection.

9 A. As expressed to me, Stephanie  
10 Giblin's concerns were that Mr. Eisenreich would  
11 think we were not serious and it could end the  
12 discussion for the nursing home. Carrie Evans'  
13 concerns were very similar to Stephanie's, that we  
14 would look like we were, in essence, you know, being  
15 ridiculous.

16 Q. Did anyone else talk to you about  
17 that appraisal?

18 MR. FALANGA: Object to the form.

19 A. They likely did, but I don't recall.  
20 Those are the ones who stood out.

21 Q. That appraisal was ultimately signed  
22 by the appraiser; is that correct?

23 MR. FALANGA: Object to the form.

24 A. The appraiser ultimately signed it,  
25 yes.

Page 43

1 Q. Did anyone communicate with the  
2 appraiser to help him overcome his resistance to  
3 signing the appraisal?

4 MS. KIERKUT: Object to the form.

5 MR. FALANGA: Object to the form.

6 A. I don't know what was said, but Mr.  
7 Apsel did convince him to sign that appraisal.

8 Q. If you'll open up to Number 3 in the  
9 volume in front of you, I will represent to you, in  
10 order to try to speed this along, although you're  
11 free to read through all of the pages, that this is  
12 a true copy of the appraisal report that you've just  
13 referred to as being produced by the BMC side as far  
14 as the negotiations with --

15 MR. FALANGA: Object to the form of  
16 the question.

17 MR. GRUEN: There wasn't a question.

18 MR. FALANGA: Object to the statement  
19 on the record, the characterization.

20 MR. GRUEN: Do you disagree with it?

21 MR. FALANGA: I do.

22 MR. GRUEN: You do.

23 Q. Would you look at this exhibit, and  
24 tell me if you've ever seen it before?

25 A. I have seen it before.

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY  
CASE NO. 07-15195 (MS)  
CHAPTER 11

In re BAYONNE MEDICAL CENTER, :

Debtor, :

**ORIGINAL**

BAYONNE MEDICAL CENTER, :

Debtor and :

Debtor-in-Possession; and :

ALLEN D. WILEN, in his capacity as Liquidating Trustee and Estate.

Representative for the Estate of Debtor, Bayonne Medical Center,

DEPOSITION OF:

ROBERT S. BURNETT

VOLUME II

(Pages 36-115)

Plaintiff, :

-vs-

BAYONNE/OMNI DEVELOPMENT, L.L.C., a New Jersey limited liability company; et al., :

Defendants. :

B E F O R E:

SHARON B. STOPPIELLO, a Certified Court Reporter and Notary Public of the State of New Jersey, at the offices of CONNELL FOLEY, L.L.P., 85 Livingston Avenue, Roseland, New Jersey, on WEDNESDAY, DECEMBER 15, 2010, commencing at 10:02 a.m., pursuant to Notice.

DepoLink  
Court Reporting & Litigation Support Services  
Phone (973) 353-9880 Fax (973) 353-9445  
[www.depolinklegal.com](http://www.depolinklegal.com)

1 price had been negotiated prior to our involvement,  
2 and we lost the ability to question how that  
3 purchase price was developed because Rob Evans was  
4 gone. We felt it was appropriate to obtain an  
5 objective third-party appraisal for the property.  
6 So that when the question was asked, is there  
7 validation for this, it could be answered in the  
8 context of the bond issue, the closing of the bond  
9 issue.

10 Q. And did the fact that there was a  
11 prior appraisal at \$5.3 million, did that also cause  
12 this issue to be of concern between you and Mr.  
13 Ross?

14 A. We were mindful of it. That  
15 appraisal was done before we were involved in this.  
16 And there was a general understanding or belief that  
17 for several reasons that other appraisal did not  
18 reflect the appropriate value. Again, we were not  
19 involved in ordering it, developing it, I couldn't  
20 answer any questions about how it was done, it was  
21 done before we had involvement. But it didn't  
22 recognize the teardown nature of the buildings, and  
23 I don't believe it recognized the environmental  
24 issues.

25 Q. The fact that the appraisal was out

1 extent to which the Cushman & Wakefield draft  
2 document and the figure that's postulated in there  
3 was communicated to anyone at the hospital. So I  
4 don't want to go back over that. But I just want to  
5 ask you this question. If Marvin Apsel testified in  
6 deposition that he knew nothing of the valuation of  
7 any Cushman & Wakefield draft document, would you  
8 have any reason to disagree with that testimony on  
9 his part?

10 A. Since I did not personally send this  
11 document to him, I can't say that I would have a  
12 problem with his testimony. If he had -- I'll end  
13 it there.

14 Q. That's fine.

15 MR. PIZZI: I have no other  
16 questions.

17 MR. COPLON: Just a few follow-ups,  
18 in light of what Mr. Pizzi asked you.

19 REDIRECT EXAMINATION BY MR. COPLON:

20 Q. Referring to the Walter appraisal of  
21 October 17, 2005, which showed a value of 5,300,000,  
22 you said that you were aware of it, but there was a  
23 general understanding or belief that the other  
24 appraisal was not accurate. I think that's what you  
25 just testified to a moment ago. Is that correct?

1 (At this point in the proceedings,  
2 a brief recess is taken.)

3 MR. PIZZI: Let's just see if we can  
4 do this without calling the judge.

5 MR. CAMBRIA: Give what the general  
6 impression is, right?

7 MR. PIZZI: If you're able to  
8 actually answer it by saying who was there and what  
9 you recall. If you don't recall specifics you have  
10 to say that.

11 A. I can't recall who said what to whom.  
12 The general understanding was that that appraisal --  
13 I'm sorry, the --

14 MR. CAMBRIA: The October 2005.

15 A. Correct, the October 2005 appraisal  
16 didn't adequately address the unique nature of this  
17 transaction. It was a simplistic appraisal, which  
18 was based upon factors that were not appropriate to  
19 this sale, like comparables of the buildings. And  
20 that, therefore, while it may show comparables of  
21 buildings, it didn't reflect what a willing buyer  
22 would do with this property with those buildings.

23 That's as far as I'll go.

24 MR. PIZZI: I thought the question  
25 was what was said, and you're giving us your opinion

Page 108

1 of the appraisal, which, again, is beyond your  
2 expertise and also prohibited by the Judge's Order.  
3 Sir, please. Therefore, I've got to move to strike  
4 that, and ask you to try to answer the question  
5 that's asked, instead of giving your impressions.

6 MR. COPLON: Well, the question  
7 was --

8 THE WITNESS: It was general  
9 impressions.

10 MR. PIZZI: No, no, the question was  
11 what was said.

12 MR. COPLON: You just didn't like the  
13 answer, but let's move on. You've got your motion  
14 to strike and he's got his testimony.

15 MR. PIZZI: There you go.

16 Q. When you say that this was a general  
17 understanding that was reached, this is a general  
18 understanding that occurred as a result of either a  
19 meeting or a conference where the participants were  
20 you, Mr. Ross and hospital representatives?

21 MR. PIZZI: Object to the form.

22 MR. CAMBRIA: I object to the form of  
23 the question. My understanding is not that the  
24 testimony was about what consensus was reached, but  
25 rather what his individual impression was. That was

1 my understanding.

2 A. That's what I was trying to convey.

3 Q. Well, who were the participants of  
4 this general understanding. You said "general  
5 understanding." Among whom? You're speaking for  
6 your own impression of the understanding?

7 A. It was my impression based upon what  
8 I believe to have been a conversation involving  
9 someone from the hospital. I don't recall the  
10 details. I cannot tell you whom.

11 Q. It was certainly you, certainly Ross  
12 and someone from the hospital?

13 A. That's correct.

14 Q. And when I say "someone," I mean an  
15 executive.

16 A. That's correct.

17 Q. And when you ordered the Cushman &  
18 Wakefield report, you did so, did you not, because  
19 of this general understanding that the Walter  
20 appraisal of October 17th, 2005 did not express fair  
21 value in a credible fashion?

22 MR. PIZZI: Object to the form.

23 MR. COPLON: Excuse me, I'm just  
24 getting a call from my daughter. Let me apologize.

25 (At this point in the proceedings,

1 a brief recess is taken, whereupon the  
2 pending question is read by the Reporter.)

3 A. Not being an appraiser, I don't want  
4 to use the terms "fair value" and "credible  
5 presentation." The concern was that it was  
6 appraising the property for a different type of use,  
7 and, therefore, did not accurately reflect the value  
8 as it would relate to the Omni transaction.

9 Q. And moving on from that, you explain  
10 the importance to a 501(c) to avoid a transaction  
11 where there's a private benefit that's bestowed on a  
12 third party, correct?

13 A. Yes.

14 Q. The Omni transaction that closed on  
15 October 8, 2006 --

16 MR. CAMBRIA: December 8th.

17 MR. COPLON: I'm sorry.

18 Q. -- December 8th, 2006, would have  
19 created potential problems with taxing authorities  
20 and possibly the Attorney General's office if there  
21 were excessive benefit?

22 A. No. That's way too broad a  
23 characterization. The issue is if the purchaser,  
24 Omni, received the benefit of an inappropriate  
25 purchase price, then, depending upon Omni's status,

**EXHIBIT**  
**#17**



Cushman & Wakefield of New Jersey, Inc.  
One Meadowlands Plaza, 7th Floor  
East Rutherford, NJ 07073  
201.508.5213 Tel  
201.896.1911 fax  
paul.korch@cushwake.com

November 22, 2006

Donald B. Ross, Esquire  
Lindabury, McCormick, Estabrook & Cooper, P.C.  
53 Cardinal Drive  
Westfield, New Jersey 07091

Re: Appraisal of Real Property  
In a Restricted Use Appraisal Report

Bayonne Medical Center - Excess Parcel  
East Side of Broadway Between East 29th and East 30th Streets  
Bayonne, Hudson County, New Jersey 07002

C&W File ID: 06-15001-9421

Dear Mr. Ross:

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to transmit our appraisal in a restricted use report on the property referenced above.

The value opinion reported below is qualified by certain assumptions, limiting conditions, certifications, and definitions, which are set forth in the report. We particularly call your attention to the extraordinary assumptions and hypothetical conditions noted in this report.

This report was prepared for Lindabury, McCormick, Estabrook & Cooper, P.C. and is intended only for their specified use, for that of their client Bayonne Medical Center. It may not be distributed to or relied upon by any other persons or entities due to its restricted use format. This appraisal report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP), including the Competency Provision of the Appraisal Foundation and the Appraisal Institute.

The property was inspected by and the report was prepared by Paul W. Korch, MAI, CRE under the supervision of Robert J. DiFalco, MAI.

#### Extraordinary Assumptions and Hypothetical Conditions

##### Extraordinary Assumptions

An extraordinary assumption is defined by the USPAP (2006 Edition, The Appraisal Foundation) as "an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis."

Cushman & Wakefield of New Jersey, Inc.

Donald B. Ross, Esquire  
Lindabury, McCormick, Estabrook & Cooper, P.C.  
November 22, 2006  
Page 2

It is our understanding that two easements will be retained upon transferring of the property. One easement will be to provide loading access to the existing Bayonne Hospital main loading dock and the other easement will provide a pedestrian connection between the proposed new building which is to be constructed on the subject land and the existing adjacent Bayonne Hospital building. As we were not provided the details of these proposed easements, their effect, if any, has not been considered in the value of the subject land. Additionally, there are air rights of 1,176 square feet that will be conveyed at the northeast corner of the subject site, which will allow the proposed building to be cantilevered over the existing Bayonne Hospital property. We have considered the contributory value of the air rights in the valuation of the subject property.

#### Hypothetical Conditions

A hypothetical condition is defined by the *USPAP* (2006 Edition, The Appraisal Foundation) as "that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis."

The property is currently improved with a two story plus basement masonry commercial building and a one-story masonry and steel commercial building. However, as per the client's instructions we are appraising the land only for this assignment.

#### Restricted Use Appraisal Report

This is a restricted use appraisal report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(c) of the Uniform Standards of Professional Appraisal Practice for a Restricted Use Appraisal Report. As such, it presents no discussions of the data, reasoning, or analyses used in the appraisal process to develop the appraisers' opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraisers' file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated on the following page. The appraiser is not responsible for the unauthorized use of this report.

Cushman & Wakefield of New Jersey, Inc.

Donald B. Ross, Esquire  
Lindabury, McCormick, Estabrook & Cooper, P.C.  
November 22, 2006  
Page 3

**Identification of Property**

Common Property Name:

Bayonne Medical Center - Excess Parcel

Location:

East Side of Broadway Between East 29th and East 30th  
Streets  
Bayonne, Hudson County, New Jersey 07002

The site is located along the easterly side of Broadway  
between East 29th and East 30th Streets.

General Overview:

The property consists of a 20,035-square foot parcel of  
land. Lot 4 is improved with a two story plus basement  
masonry commercial building constructed in 1915±  
containing approximately 17,500 square feet; and Lot 3  
is improved with a one story masonry and steel  
garage/storage building originally constructed in 1940±  
containing approximately 5,000 square feet. Lots 1 and  
2 are asphalt paved for surface parking. The property is  
currently owner occupied by Bayonne Medical Center.

For purposes of this report, the improvements will not be  
valued.

Block 164 Lots 1, 2, 3 and 4

Assessor's Parcel Number:

A legal description for the subject property is included in  
the property survey provided to us and retained in our  
files.

**Purpose and Intended Use and Users of the Appraisal**

This appraisal is intended to provide an opinion of the current market value of the fee simple  
interest in the property (land only) for the exclusive use of Lindabury, McCormick, Estabrook &  
Cooper, P.C. and their client Bayonne Medical Center in evaluating a potential disposition of the  
property. All other uses and users are unintended, unless specifically stated in the letter of  
transmittal.

**Property Ownership and Recent History**

Current Ownership:

Bayonne Medical Center, Inc.

Sale History:

To the best of our knowledge, the property has not transferred  
within the past three years

Current Disposition:

It is our understanding that Bayonne Medical Center is currently  
under contract to sell the property to Omni Development, for a  
reported purchase price of \$2,000,000. Omni will be demolishing  
the existing buildings at their expense for the redevelopment of  
the property with a five-story nursing home/medical office facility.  
We have not been provided with a copy of the contract nor have  
been provided with a budget for demolition of the existing

Cushman & Wakefield of New Jersey, Inc.

Donald B. Ross, Esquire  
Lindabury, McCormick, Estabrook & Cooper, P.C.  
November 22, 2006  
Page 4

buildings.

**Dates of Inspection and Valuation**

The value conclusion reported herein is as of November 8, 2006. The property was inspected on November 8, 2006 by Paul W. Korch, MAI, CRE. Robert J. DiFalco, MAI has reviewed the report but did not inspect the property.

**Property Rights Appraised**

Fee Simple Estate

**Scope of Work**

This appraisal presented in a restricted-use report is intended to comply with the reporting requirements set forth under the *Uniform Standards of Professional Appraisal Practice* (USPAP) for a Restricted Use Appraisal Report. In addition, the report was prepared to conform to the requirements of the Code of Professional Ethics of the Appraisal Institute and the Appraisal Foundation.

In preparation of this appraisal, we investigated a wide array of land sales in the subject's submarket and considered the input of buyers, sellers, brokers, property developers and public officials. Additionally, we investigated the general regional economy as well as the specifics of the local area of the subject.

The scope of this appraisal required collecting primary and secondary data relative to the subject property. The depth of the analysis is intended to be appropriate in relation to the significance of the appraisal issues as presented herein. The data have been analyzed and confirmed with sources believed to be reliable, in the normal course of business, leading to the value conclusions set forth in this report. In the context of completing this report, we have made a physical inspection of the subject property and the comparables. The valuation process involved utilizing generally accepted market-derived methods and procedures considered appropriate to the assignment.

This appraisal employs only the Sales Comparison Approach for vacant land. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that this approach would be considered necessary and applicable for market participants.

This Restricted Use Appraisal Report sets forth only the appraiser's conclusions. Supporting documentation is retained in the appraiser's file.

**Definitions of Value, Interest Appraised and Other Terms**

The following definitions of pertinent terms are taken from *The Dictionary of Real Estate Appraisal*, Fourth Edition (2002), published by the Appraisal Institute, as well as other sources.

**Market Value**

Market value is one of the central concepts of the appraisal practice. Market value is differentiated from other types of value in that it is created by the collective patterns

Cushman & Wakefield of New Jersey, Inc.

Donald B. Ross, Esquire  
Lindabury, McCormick, Estabrook & Cooper, P.C.  
November 22, 2006  
Page 5

of the market. A current economic definition agreed upon by agencies that regulate federal financial institutions in the United States of America follows, taken from Advisory Opinion-22 of *USPAP* of The Appraisal Foundation:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

#### Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

#### Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of a specified date and the passing of the leasehold from lessor to lessee under conditions whereby:

1. Lessee and lessor are typically motivated.
2. Both parties are well informed or well advised, and acting in what they consider their best interests.
3. A reasonable time is allowed for exposure in the open market.
4. The rent payment is made in terms of cash in United States dollars, and is expressed as an amount per time period consistent with the payment schedule of the lease contract.
5. The rental amount represents the normal consideration for the property lease unaffected by special fees or concessions granted by anyone associated with the transaction.

Cushman & Wakefield of New Jersey, Inc.

Donald B. Ross, Esquire  
Lindabury, McCormick, Estabrook & Cooper, P.C.  
November 22, 2006  
Page 6

**Location**

The subject property is situated along the east side of Broadway between East 29<sup>th</sup> and East 30<sup>th</sup> Streets in the City of Bayonne, Hudson County, New Jersey. Bayonne is the southern most municipality in Hudson County and is bounded by water on three sides, namely New York Bay to the east, the Kill Van Kull on the south and Newark Bay to the west. The Kill Van Kull separates Bayonne from Staten Island, New York with the Bayonne Bridge connecting the two municipalities. Bayonne is approximately 5.39 square miles in area.

**Access**

Local area accessibility is excellent. Bayonne is readily accessible from the major highway arteries of Northern New Jersey. Access is primarily achieved from the following arteries:

Route 440/169	Four lane divided highway providing north/south travel.
Interstate 78	Four lane divided highway providing east/west travel.
The New Jersey Turnpike	Six lane divided highway providing north/south travel.

Highway access to the northern end of the city is via Interstate 78/New Jersey Turnpike Extension at Interchange 14A. Route 440 (formerly known as Route 169) connects at Interchange 14A and thence traverses south along the east side of the city. Route 440 passes the former Military Ocean Terminal (MOTBY), which the City of Bayonne will be redeveloping into a mixed-use project known as the Peninsula at Bayonne. Construction has been completed extending Route 440 south and west connecting it with the access ramps to the Bayonne Bridge. At that point there is a local access ramp to local streets along Avenue A just north of West 7<sup>th</sup> Street.

Additionally, State Highway Route 185 is partially completed to the north of Interchange 14A linking Routes 440 and 169 with developments along the eastern shore of Jersey City such as Port Libre', Liberty Industrial Park and also with Interchange 14B of the New Jersey Turnpike.

The Hudson-Bergen Light Rail (HBLR) system runs east of Avenue E and parallel to Route 440. The HBLR currently terminates at the 22<sup>nd</sup> Street station. There is another station to the north at 32<sup>nd</sup> Street opposite the MOTBY entrance. The light rail system will eventually terminate at West 5<sup>th</sup> Street in the southern end of the city.

The subject property is located adjacent to the west of the Bayonne Medical Center, which occupies the remainder of the city block. A dedicated multi-level parking structure for the medical center is situated to the east of the main entrance along Avenue E. Broadway is primarily developed with commercial/retail properties many of which have upper floors with residential apartment units. The prime retail shopping district along Broadway is between 20<sup>th</sup> and 26<sup>th</sup> Streets.

**Military Ocean Terminal at Bayonne (MOTBY)**

The Military Ocean Terminal at Bayonne ("MOTBY"), is a formerly owned United States Government installation situated on a peninsula jutting eastward into New York Bay, connected to mainland Bayonne at its westerly boundary at Route 440 between 34<sup>th</sup> and 44<sup>th</sup> Streets. Its

Cushman & Wakefield of New Jersey, Inc.

Donald B. Ross, Esquire  
Lindabury, McCormick, Estabrook & Cooper, P.C.  
November 22, 2006  
Page 7

main gate is at State Highway Route 440 with a second gate at Avenue E and East 40th Street. MOTBY consists of 432.65 acres of dry land, 3.75 acres of dry dock and 242.40 acres of submerged land for a total area of 678.80 acres. The complex consists of numerous buildings for administrative and warehousing functions as well as residential and recreational areas. MOTBY functioned as a major ocean terminal in the northeast section of the United States, and features dredged channels and turning basins along its three waterfront boundaries to accommodate large ocean-going cargo vessels and military ships.

In the past few years, a decision was made by the government to close MOTBY. This is providing a major opportunity to redevelop the land, which is now owned by the City of Bayonne. According to discussions with Mr. William Jordan, the Executive Director of Bayonne Economic Development Corporation, a potential use of the 432 acres is for a major, mixed-use development of office, industrial and recreational properties. It is also our understanding the MOTBY property provides an opportunity for private enterprise to take advantage of its deep channels and its ability to attract cargo as an alternative to the Port Newark Terminal in Newark and Elizabeth. A few years ago MOTBY was in competition with the City of Camden to become the new home for the battleship New Jersey. However, Camden was chosen and currently the battleship New Jersey is a floating museum there located immediately south of the new aquarium.

MOTBY has been renamed The Peninsula at Bayonne by the city and redevelopment plans are underway at this time. In January 2004, the BLRA began its first Shoreline Stabilization project using redevelopment authority funds and grants administered by the US Department of Commerce Economic Development Administration. This \$2.5 million project will stabilize 1,500 feet of shoreline on the south side of the property. This project will secure the existing electrical substation and fully occupied office building at the Peninsula and pave the way for ferry service for the Peninsula.

#### Real Estate Appraised

#### Site Description

The subject site is located along the east side of Broadway in the City of Bayonne, Hudson County, New Jersey. The property is rectangular in shape containing an area of 20,035± square feet or .46± acres that is at road grade. The site has 200.35 feet of frontage along Broadway and 100 feet of frontage along both East 29<sup>th</sup> and East 30<sup>th</sup> Streets.

As the improvements are not being valued herein, no further description of those buildings is being provided.

According to the National Flood Insurance Rate Map Panel Number 340218-0111D, dated August 16, 2006, the site is located in FEMA Zone X: Areas outside of a 100-year flood hazard.

We were provided with an "Air Rights Easement Map" survey of the property, which is retained in our files. The subject property has excellent frontage and visibility along all three streets.

We are unaware of any land use restrictions affecting the site and would recommend a title search to determine if any adverse conditions exist. Upon inspection of the site the appraiser did notice that there is an ongoing "pump and treat" system in place in the basement of the building on Lot 4. It was explained that this system is in place removing petrochemicals from

Cushman & Wakefield of New Jersey, Inc.

Donald B. Ross, Esquire  
Lindabury, McCormick, Estabrook & Cooper, P.C.  
November 22, 2006  
Page 8

the ground water that resulted from a leaking underground storage tank, which has since been filled with inert materials. This appraisal is predicated on the assumption that there are no environmental issues and that the subject property would receive a NFA (No Further Action) letter from the New Jersey Department of Environmental Protection.

We were not given a wetlands survey. If subsequent engineering data confirms the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a competent engineering firm. Overall, the site is typical of the area and well suited for any urban use.

#### Real Property Taxes

The property is subject to the taxing jurisdiction of Township of Bayonne. The assessor's parcel identification number is Block 164 Lots 1, 2, 3 and 4. The assessments for the property are presented in the chart below:

#### PROPERTY TAX DATA (2005)

	164/1	164/2	164/3	164/4	Total
2006 Block/Lot	164/1	164/2	164/3	164/4	
Street Address on Broadway	644	642	638-640	636	
2006 Assessed Value					\$840,000
Land:	\$104,000	\$96,000	\$200,000	\$440,000	
Improvements:	\$0	\$0	\$209,500	\$1,180,700	1,390,200
Total:	\$104,000	\$96,000	\$409,500	\$1,620,700	\$2,230,200
Tax Rate					0.05186
Total Property Taxes	NA	NA	NA	NA	NA
2007 Equalization Ratio	48.73%	48.73%	48.73%	48.73%	48.73%
Land Area (square feet)	2,627	2,374	5,001	10,035	20,037

*Note: All of the above tax parcels are listed as exempt properties on the municipal tax rolls.*

#### Zoning

The subject property is located in the CBD, Central Business District of the City of Bayonne. Permitted uses within this district include: professional and business offices, retail commercial uses; banks and deposit institutions, restaurants, movie theaters, cultural centers, dance instruction studios, fast food service establishments, dwelling-apartment uses above street level uses provided the apartment has a minimum area of 600 square feet and no more than two bedrooms, essential services and government offices. Conditional uses include educational uses and commercial parking facilities.

The minimum lot area is 3,000 square feet and the minimum lot frontage is 30 feet. The maximum building height is 5 stories or 55 feet.

Cushman & Wakefield of New Jersey, Inc.

Donald B. Ross, Esquire  
Lindabury, McCormick, Estabrook & Cooper, P.C.  
November 22, 2006  
Page 9

Lots 3 and 4 individually as well as Lots 1 through 4 collectively are conforming in lot size and frontage. However, Lots 1 and 2 are non-conforming regarding lot size and frontage. Collectively, Lots 1 and 2 are conforming.

The determination of compliance of the existing improved use with permitted uses is beyond the scope of a real estate appraisal.

We know of no deed restrictions, private or public, that further limits the subject property's use. We cannot guarantee that no such restrictions exist. Deed restrictions are a legal matter and only a title examination by an attorney or title company can usually uncover such restrictive covenants. Thus, we recommend a title search to determine if any such restrictions do exist.

#### **Highest and Best Use As If Vacant**

Commercial development to the highest density permitted under current zoning.

#### **Valuation Process**

This appraisal employs only the Sales Comparison Approach for vacant land. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that this approach would be considered necessary and applicable for market participants.

#### **Sales Comparison Approach For Vacant Land**

We estimated the subject property's land value by comparing it with similar, recently sold vacant sites in the competing area. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

By analyzing sales that qualify as arms-length transactions between willing and knowledgeable buyers and sellers, value and price trends can be identified. The basic steps of this approach are:

1. research recent, relevant property sales and current offerings throughout the competitive area;
2. select and analyze properties that are similar to the property appraised, considering changes in economic conditions that may have occurred between the sale date and the date of value, and other physical, functional, or locational factors;
3. identify sales that include favorable financing and calculate the cash equivalent price;
4. reduce the sale prices to a common unit of comparison such as price per square foot of land area;
5. make appropriate comparative adjustments to the prices of the comparable properties to relate them to the property being appraised; and

Cushman & Wakefield of New Jersey, Inc.

Donald B. Ross, Esquire  
Lindabury, McCormick, Estabrook & Cooper, P.C.  
November 22, 2006  
Page 10

6. interpret the adjusted sales data and draw a logical value conclusion.

The most widely-used and market-oriented unit of comparison for properties such as the subject is the sales price per square foot of land area. All comparable sales were analyzed on this basis.

**Property Value As Vacant**

The appraiser searched the marketplace for sales of commercial land in Bayonne, which are summarized on the chart in the addenda. We have analyzed these sales in comparison to the subject and applied the appropriate adjustments. All of the sales are either cash deals or were financed at market rates and terms requiring no adjustment. Supporting documentation is retained in the appraiser's file.

After analyzing the sales data and realizing that no two properties are exactly alike, we have made what we believe to be appropriate adjustments for time, conditions of sale and physical characteristics. The adjustments considered are subjective in nature but serve to illustrate the appraiser's thought processes in making adjustments for dissimilarities between the sale properties and the subject. In the final analysis, considering the subject's location and other factors, we believe its estimated fee simple value would be based on a unit rate of \$95.00 per square foot. This equates to an estimated fee simple value for subject as follows:

Fee Land: 20,035± square feet @ \$95.00 per square foot =	\$1,903,325
Plus Air Rights: 1,176± square feet @ \$76.00* per square foot =	89,376
Total Value:	\$1,992,701
Rounded to	\$2,000,000

\* four-fifths of the fee land value based on story-height zoning

**Concluded Land Value**

This appraisal employs only the Sales Comparison Approach for vacant land. Based upon the Scope of Work agreed to with the Client, and as outlined within the accompanying report, we have developed an opinion that the market value of the fee simple estate of the referenced property (land only), subject to the assumptions, limiting conditions, certifications, and definitions, on November 8, 2006 was:

**TWO MILLION DOLLARS**  
**\$2,000,000**

Cushman & Wakefield of New Jersey, Inc.

Donald B. Ross, Esquire  
Lindabury, McCormick, Estabrook & Cooper, P.C.  
November 22, 2006  
Page 11

Based on recent market transactions, as well as discussions with market participants, a sale of the subject property at the above-stated opinion of market value would have required an exposure time of approximately twelve (12) months. Furthermore, a marketing period of approximately twelve (12) months is currently warranted for the subject property.

Respectfully submitted,  
CUSHMAN & WAKEFIELD OF NEW JERSEY, INC.

**DRAFT**

Paul W. Korch, MAI, CRE  
Director  
New Jersey License No. SCGREA RG00225  
paul.korch@cushwake.com  
201.508.5213 Office Direct  
201.896.1911 Fax

**DRAFT**

Reviewed by:  
Robert J. DiFalco, MAI  
Managing Director  
New Jersey Certified General Appraiser  
License No. SCGREA RG00434

ASSUMPTIONS AND LIMITING CONDITIONS

"Report" means the appraisal or consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"C&W" means Cushman & Wakefield, Inc. or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of C&W who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

1. No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.
2. The information contained in the Report or upon which the Report is based has been gathered from sources the Appraiser assumes to be reliable and accurate. The owner of the Property may have provided some of such information. Neither the Appraiser nor C&W shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters. Any authorized user of the Report is obligated to bring to the attention of C&W any inaccuracies or errors that it believes are contained in the Report.
3. The opinions are only as of the date stated in the Report. Changes since that date in external and market factors or in the Property itself can significantly affect the conclusions.
4. The Report is to be used in whole and not in part. No part of the Report shall be used in conjunction with any other analyses. Publication of the Report or any portion thereof without the prior written consent of C&W is prohibited. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the Report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes other than that for which it was prepared. No part of the Report shall be conveyed to the public through advertising, or used in any sales, promotion, offering, or SEC material without C&W's prior written consent.

Any authorized user(s) of this Report who provides a copy to, or permits reliance thereon by, any person or entity not authorized by C&W in writing to use or rely thereon, hereby agrees to indemnify and hold C&W, its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any such unauthorized person(s) or entity(ies).

5. Except as may be otherwise stated in the letter of engagement, the Appraiser shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.

ASSUMPTIONS AND LIMITING CONDITIONS

6. The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and, (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Report is based.
7. The physical condition of the improvements considered by the Report is based on visual inspection by the Appraiser or other person identified in the Report. C&W assumes no responsibility for the soundness of structural members or for the condition of mechanical equipment, plumbing or electrical components.
8. The forecasted potential gross income referred to in the Report may be based on lease summaries provided by the owner or third parties. The Report assumes no responsibility for the authenticity or completeness of lease information provided by others. C&W recommends that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties.
9. The forecasts of income and expenses are not predictions of the future. Rather, they are the Appraiser's best opinions of current market thinking on future income and expenses. The Appraiser and C&W make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. It is not the Appraiser's task to predict or in any way warrant the conditions of a future real estate market; the Appraiser can only reflect what the investment community, as of the date of the Report, envisages for the future in terms of rental rates, expenses, and supply and demand.
10. Unless otherwise stated in the Report, the existence of potentially hazardous or toxic materials that may have been used in the construction or maintenance of the improvements or may be located at or about the Property was not considered in arriving at the opinion of value. These materials (such as formaldehyde foam insulation, asbestos insulation and other potentially hazardous materials) may adversely affect the value of the Property. The Appraisers are not qualified to detect such substances. C&W recommends that an environmental expert be employed to determine the impact of these matters on the opinion of value.
11. Unless otherwise stated in the Report, compliance with the requirements of the Americans with Disabilities Act of 1990 (ADA) has not been considered in arriving at the opinion of value. Failure to comply with the requirements of the ADA may adversely affect the value of the Property. C&W recommends that an expert in this field be employed.
12. If the Report is submitted to a lender or investor with the prior approval of C&W, such party should consider this Report as only one factor together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Extraordinary

## ASSUMPTIONS AND LIMITING CONDITIONS

Assumptions and Hypothetical Conditions and the Assumptions and Limiting Conditions incorporated in this Report.

13. In the event of a claim against C&W or its affiliates or their respective officers or employees or the Appraisers in connection with or in any way relating to this Report or this engagement, the maximum damages recoverable shall be the amount of the monies actually collected by C&W or its affiliates for this Report and under no circumstances shall any claim for consequential damages be made.
14. If the Report is referred to or included in any offering material or prospectus, the Report shall be deemed referred to or included for informational purposes only and C&W, its employees and the Appraiser have no liability to such recipients. C&W disclaims any and all liability to any party other than the party that retained C&W to prepare the Report.
15. By use of this Report each party that uses this Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.

### Extraordinary Assumptions

An extraordinary assumption is defined by the *USPAP* (2006 Edition, The Appraisal Foundation) as "an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis."

It is our understanding that two easements will be retained upon transferring of the property. One easement will be to provide loading access to the existing Bayonne Hospital main loading dock and the other easement will provide a pedestrian connection between the proposed new building, which is to be constructed on the subject land and the existing adjacent Bayonne Hospital building. As we were not provided the details of these proposed easements, their effect, if any, has not been considered in the value of the subject land. Additionally, there are air rights of 1,176 square feet that will be conveyed at the northeast corner of the subject site, which will allow the proposed building to be cantilevered over the existing Bayonne Hospital building. We have considered the contributory value of the air rights in the valuation of the subject property.

### Hypothetical Conditions

A hypothetical condition is defined by the *USPAP* (2006 Edition, The Appraisal Foundation) as "that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis."

The property is currently improved with a two story plus basement masonry commercial building and a one-story masonry and steel commercial building. However, as per the client's instructions we are appraising the land only for this assignment.

**CERTIFICATION OF APPRAISAL**

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
8. Paul W. Korch, MAI, CRE made a personal inspection of the property that is the subject of this report. Robert J. DiFalco, MAI, Managing Director, Valuation Services, reviewed and approved the report but did not inspect the property.
9. No one provided significant real property appraisal assistance to the persons signing this report.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, Paul W. Korch, MAI and Robert J. DiFalco, MAI have completed the continuing education program of the Appraisal Institute.

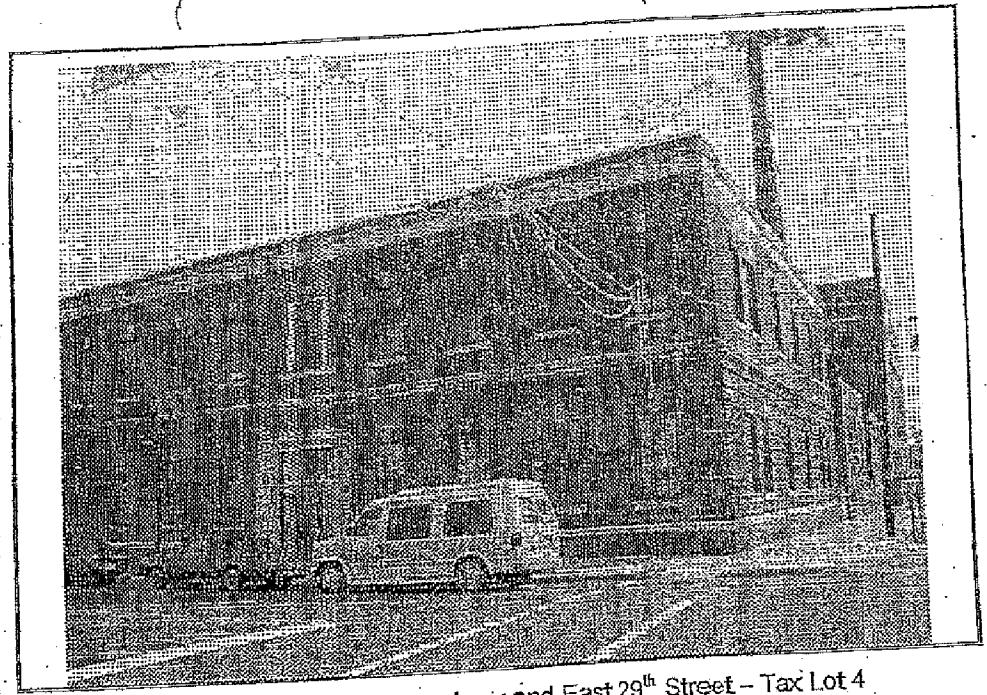
**DRAFT**

Paul W. Korch, MAI, CRE  
Director  
New Jersey License No. SCGRE  
RG00225

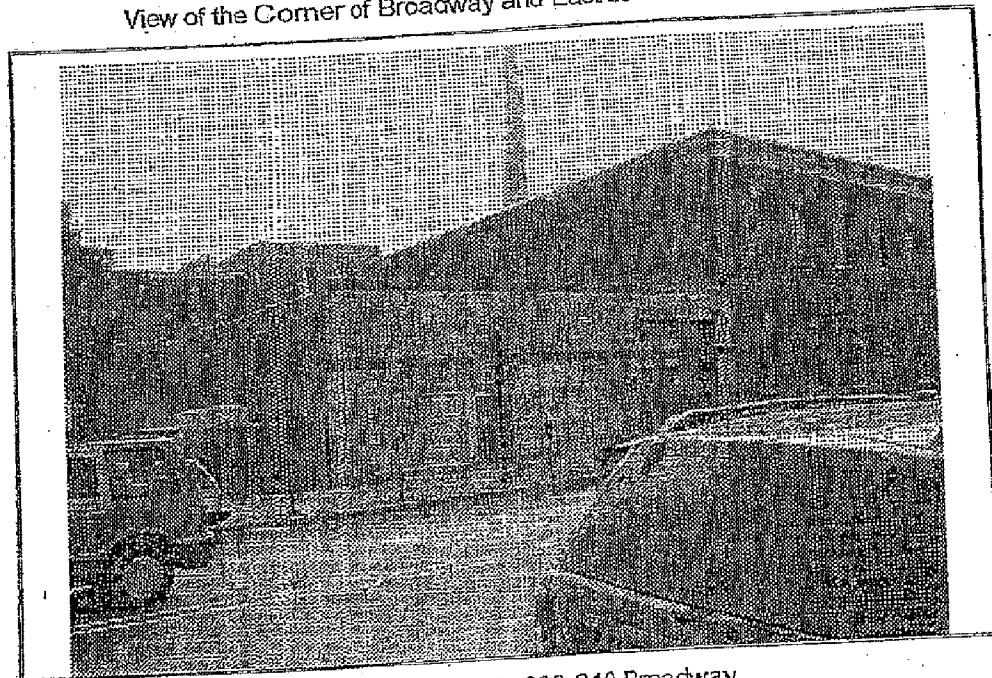
**DRAFT**

Robert J. DiFalco, MAI  
Managing Director  
New Jersey Certified General Appraiser  
License No. SCGRE RG00434

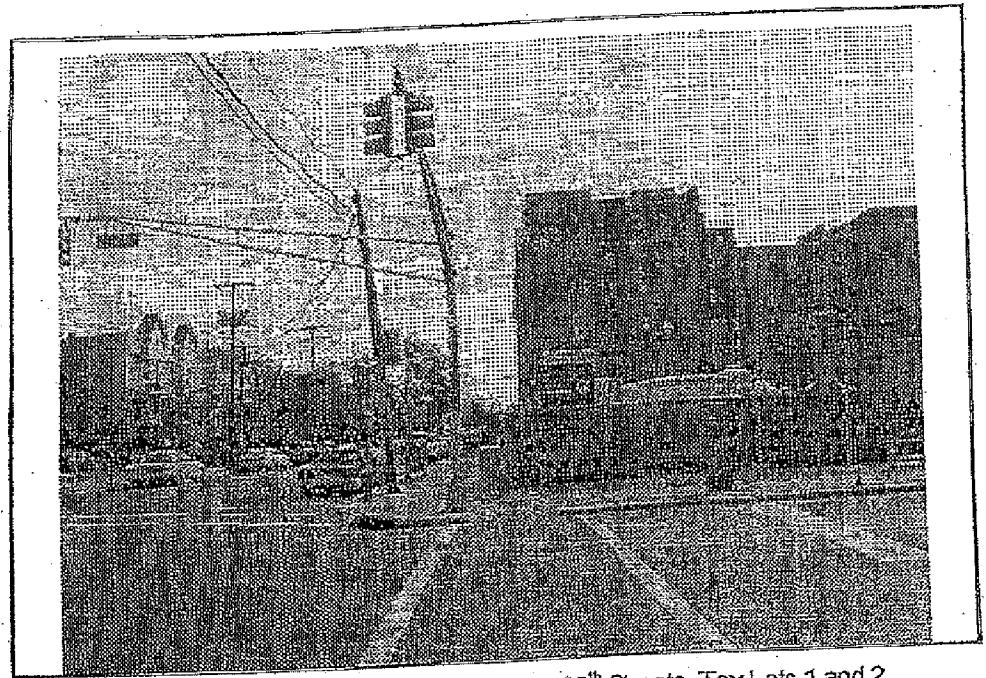
ADDENDA



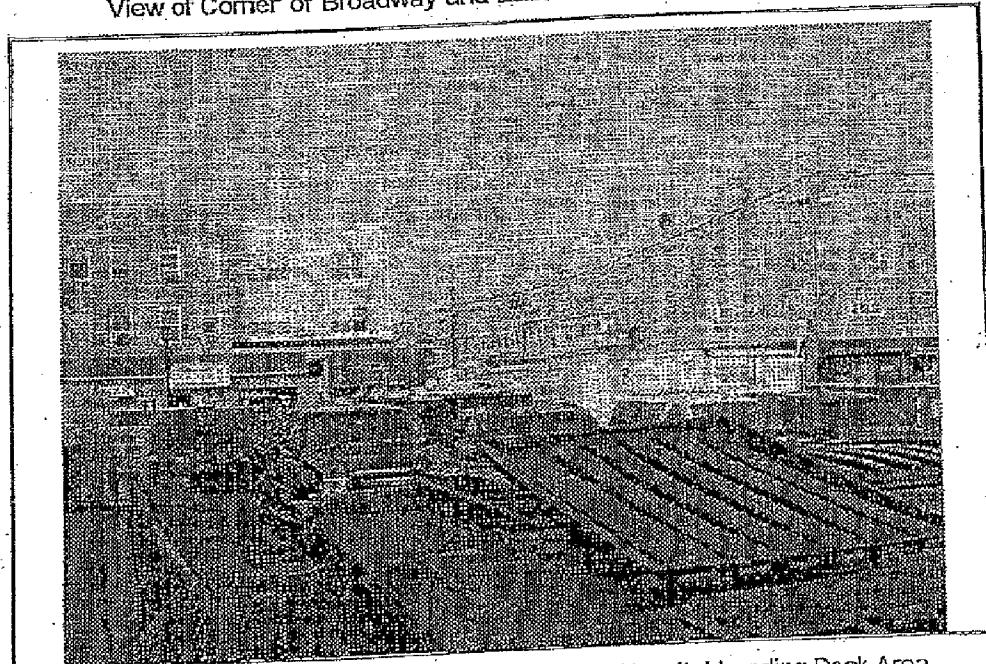
View of the Corner of Broadway and East 29<sup>th</sup> Street – Tax Lot 4



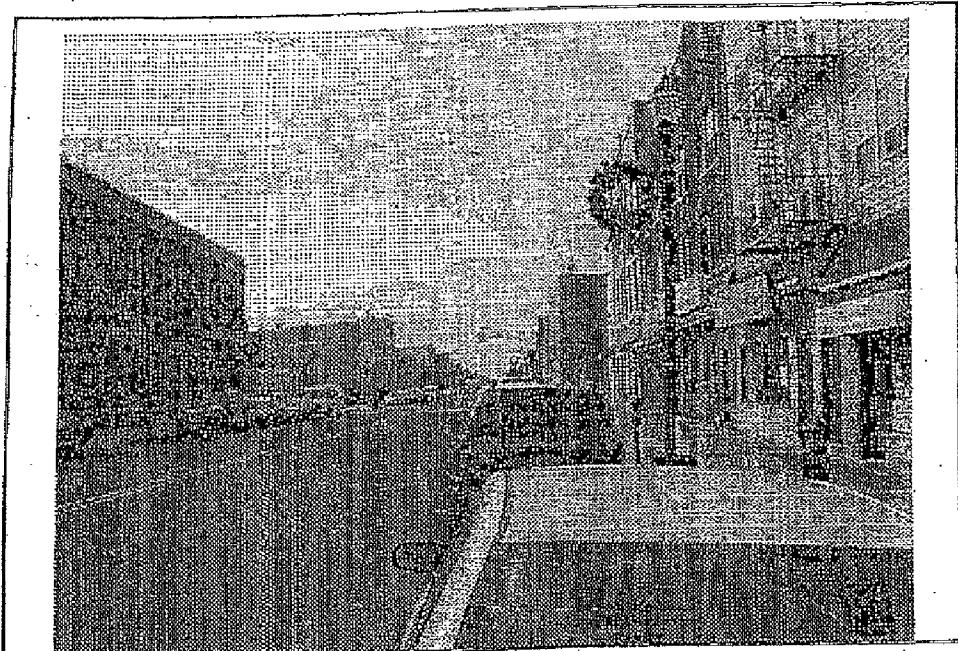
View of Tax Lot 3, 638-640 Broadway



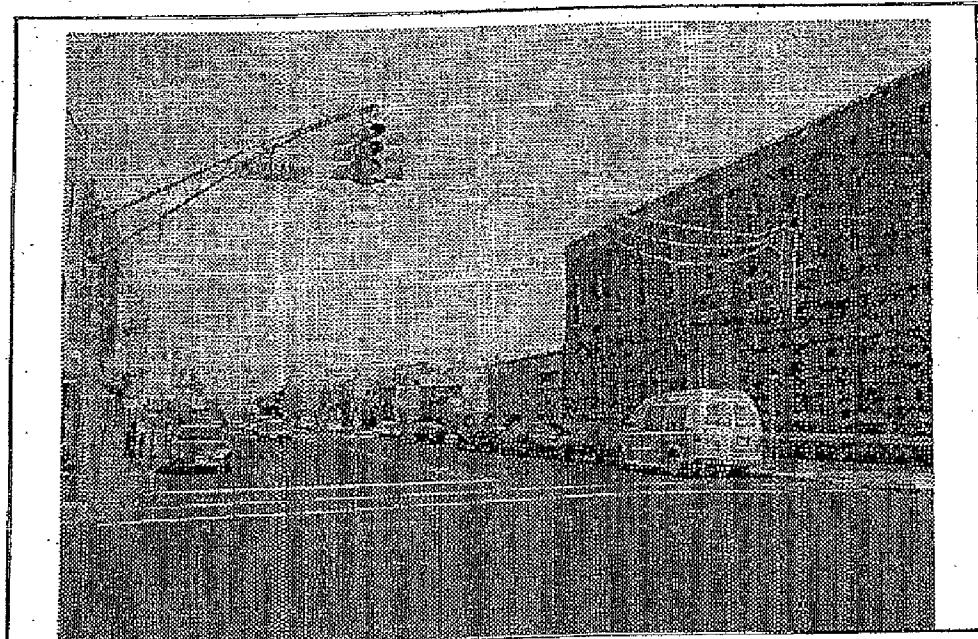
View of Corner of Broadway and East 30<sup>th</sup> Streets, Tax Lots 1 and 2



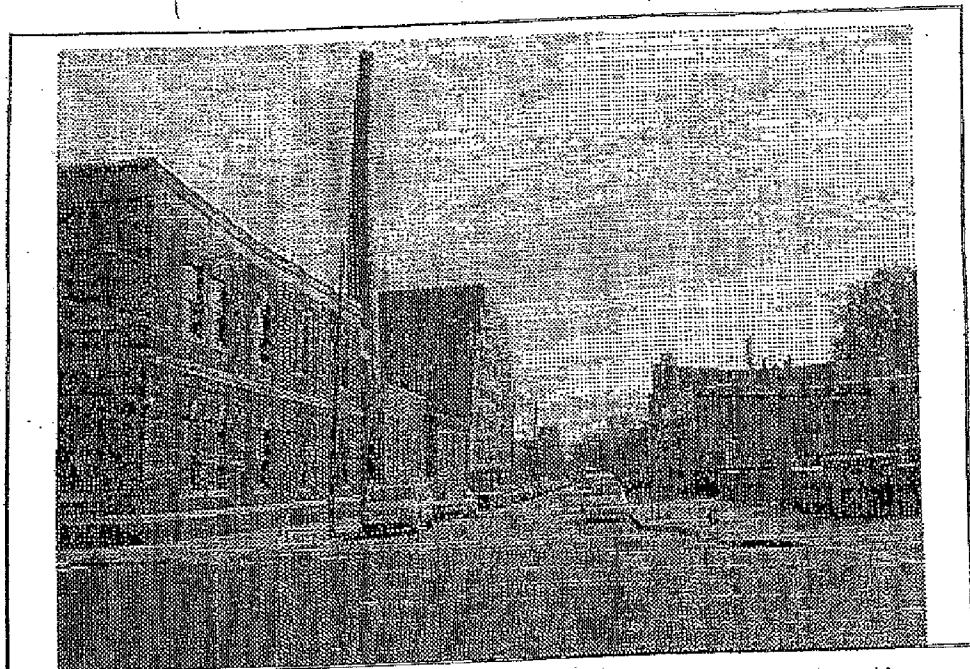
View of Tax Lots 1 and 2 Looking West from Hospital Loading Dock Area



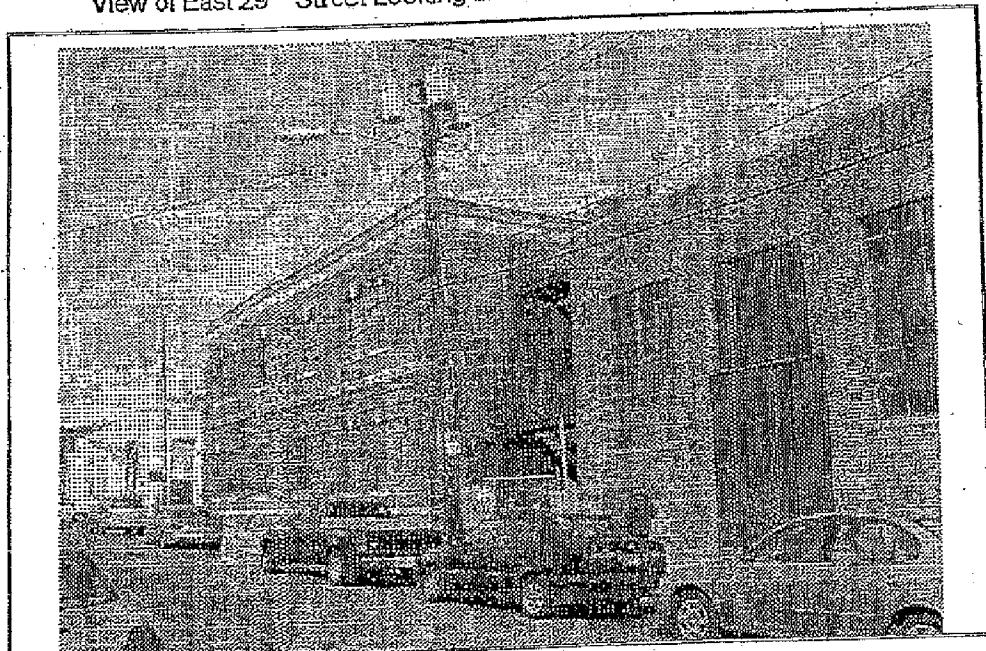
View of Broadway Looking South



View of Broadway Looking North



View of East 29<sup>th</sup> Street Looking East Towards Medical Center (on left)

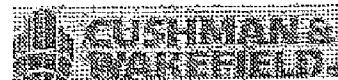


View of Lot 4 Looking West Along East 29<sup>th</sup> Street

SUMMARY OF LAND SALES								
No.	Location	Grantor	Price	Site Sq.Ft.	Zoning	Public Utilities	Price/Sq.Ft.	Comments
		Grantee	Date	Site Acre	Utility			
1	479-481 Broadway Bayonne, New Jersey	Joseph & Michael Salerno Co., LLC	\$100,000	9,238 SF	CBD	All available	\$527.42	This is the site of a vacant lot, which currently remains undeveloped.
2	538 Broadway Bayonne, New Jersey	Victor Lazzella et al.	Nov-04	0.22/21 Ac	Good		\$4,249,776	
3	624 Broadway Bayonne, New Jersey	TSL Group LLC	\$626,000	4.200	CBD	All available	\$126,000	This is the site of a vacant lot, which currently remains undeveloped.
4	631-633 Broadway Bayonne, New Jersey	K & P Painters Associates LLC	\$630,000	0.698	CBD	All available	\$945,000	This property was purchased for a mini-golf parading lot.
5	732 Avenue E Bayonne, New Jersey	Bayonne Parking Authority	Nov-04	0.1535 Ac	Good		\$74,34	
6	838 Broadway Bayonne, New Jersey	32nd Broadway Associates	\$1,750,000	22,216	CBD	All available	\$78.77	This property was purchased for development of a Walgreen's Pharmacy with on-site parking.
7	839 Broadway Bayonne, New Jersey	Cumberland Farms	\$335,000	0.510	TID	All available	\$6431.311	
8	839 Broadway Bayonne, New Jersey	4M Construction Inc. Sandwiched & Hatched Publ.	\$157,000	2,600	C3	All available	\$54.18	This property was a former gas station and was purchased to enhance the light rail entrance along Avenue E.
9	877 Broadway Bayonne, New Jersey	TSL Construction	\$236,000	0.0514 Ac	Good		\$4,904,842	This lot was purchased for the construction of a 2-story mixed-use building.
10	1038-1037 Broadway Bayonne, New Jersey	Zira Grannum et al.	\$11,650,000	5,000	C3 & R2	All available	\$2,357,988	This is the site of two lots. The lot along 47th Street was developed with a 2 family house. The corner commercial lot contains a vacant.
		O.A.C. For Plan Car Specialist Inc.	\$11,650,000	12,550	UBD	All available	\$2,570,000	
		Oliver Pan et al.	Jun-05	0.2851 Ac	Good		\$91.68	This is the site of two lots on adjacent corners. Both lots remain vacant.
							\$1,821,584	

	Price	Site Sq.Ft.	Zoning	Public Utilities	Price/Sq.Ft.
	Date	Site Acre	Utility		
Subway On	\$131,000	2,500 SF			\$52,400
Subway Off	\$117,000	2,216 SF			\$52,000
Subway Right	\$117,000	8,040 SF			\$125,000
Subway Low	\$12,000	0.0574 Ac			\$213.18
Subway High	\$10,000	0.0500 Ac			\$200,000
Sublease	\$12,000	2,071 AC			\$5,723.370
Sublet Priority		20,000 SF	CBD	All Available	
		0.3768	Good		

\* Utility includes shape, access, frontage and visibility.



Cushman & Wakefield of New Jersey,  
Inc.  
One Meadowlands Plaza, 7th Floor  
East Rutherford, NJ 07073  
(201) 896-9400 Tel  
(201) 896-1911 Fax

November 21, 2006

Donald B. Ross, Jr.  
Lindabury, McCormick, Estabrook & Cooper, P.C.  
53 Cardinal Drive  
Westfield, NJ 07091

## INVOICE

Invoice No: 06-15001-9421

Invoice for Appraisal, Restricted Report

636-644 Broadway  
Bayonne, NJ

Appraisal Fee: \$3,000.00

Total Invoice: \$3,000.00

Less Retainer: \$0.00

Total Balance Now Due: \$3,000.00

Please make your checks payable to CUSHMAN & WAKEFIELD VALUATION and return with one copy of this invoice to the above address.

Sincerely,  
CUSHMAN & WAKEFIELD OF NEW JERSEY, INC.  
Enza Minervini  
Area Administrator  
Phone: (201) 508-5215  
Fax: (201) 896-1911  
Email: enza\_minervini@cushwake.com  
Federal Tax ID #: 13-2662112